

October 20, 2011

**DEFENDANTS' OPPOSITION TO CEGLIA'S MOTION
TO STAY PROCEEDINGS**

Paul Ceglia's revolving door of lawyers continues to spin. The request by Jeffrey A. Lake to withdraw from this case, if approved, would make Lake A.P.C. the sixth law firm to drop Ceglia as a client as the evidence of his fraud and obstruction continues to mount. Five law firms — Connors & Vilardo LLP; DLA Piper; Lippes Mathias; Edelson McGuire; and Kasowitz, Benson, Torres & Friedman — have already terminated their representation of Ceglia, in some cases soon after examining the purported contract and "emails" Ceglia has manufactured. Jeffrey Lake's request to withdraw comes only days after Ceglia and his lawyers were ordered to show cause why they should not be sanctioned — an order that prompted Lake and his co-counsel Nathan Shaman to publicly accuse Ceglia in sworn declarations of instructing them to violate the orders of this Court.

From his apparent hideout in Ireland, Ceglia is once again attempting to use the withdrawal of his lawyer to obstruct the expedited discovery ordered by this Court, thereby buying himself more time to cover his tracks and destroy additional evidence. *Cf.* Doc. No. 79 (Ceglia's unsuccessful motion for a three-week stay following withdrawal of DLA Piper and Lippes Mathias). Ceglia's motion for stay — which includes neither the certification required by Fed. R. Civ. P. 26(c)(1) nor the notice required by Local Rule 7(a)(1) — should be denied for numerous reasons.

First, Ceglia has failed to demonstrate good cause for a stay. *See, e.g., Steuben Foods, Inc. v. Country Gourmet Foods, LLC*, 2009 WL 3191464, at *13 (W.D.N.Y. Sept. 30, 2009) (denying stay of discovery where movant failed to establish good cause). Ceglia claims that he "is currently in discussions with several attorneys concerning substitution of new counsel," and that these unidentified attorneys need time "to come up to speed." Lake Decl., ¶ 3. But Ceglia's

lead counsel, Paul Argentieri, is not withdrawing — he is remaining in this case and is fully capable of representing Ceglia in connection with the pending motion to compel. Argentieri was the lawyer who signed the original verified state court pleading that was subsequently removed to this Court and has served as lead counsel since the beginning of this case. Argentieri has appeared before Judge Arcara in connection with the removal motion, and before this Court in connection with the prior motions to compel. He was present at the critical forensic testing of the purported contract. And he has personally signed 16 pleadings or declarations in this case to date. Argentieri is Ceglia's long-time counsel and has represented him in some of his other legal matters, including the recent complaint by the New York Attorney General's Office related to Ceglia's wood-pellet scam. Ceglia offers no reason why Argentieri has suddenly become incapable of further representing him. There is simply no need to bring all proceedings in this case to an abrupt halt while Ceglia attempts to recruit a new lawyer to support his lead counsel.

Second, a stay would severely prejudice Defendants by denying them the expedited discovery to which they are entitled, and by giving Ceglia the opportunity to conceal or destroy additional evidence. This Court is well aware of Ceglia's history of contumacious misconduct, including his brazen disobedience of court orders, his willful destruction of the USB devices, and his ongoing efforts to cover up additional evidence of his fraud and wrongdoing. Ceglia's motion to stay is simply the latest installment in his now-familiar pattern of delay and obstruction. Granting Ceglia a lengthy reprieve from the expedited discovery this Court ordered months ago would only enable Ceglia to engage in further chicanery.

The withdrawal of Ceglia's lawyers does not insulate them from liability for having prosecuted a lawsuit they knew, or with the exercise of reasonable diligence should have known, was a fraud.

CONCLUSION

This Court should deny Ceglia's motion to stay proceedings.

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Thomas H. Dupree, Jr.
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, NW
Washington, DC 20036
(202) 955-8500

Terrance P. Flynn
HARRIS BEACH PLLC
726 Exchange Street
Suite 1000
Buffalo, NY 14210
(716) 200-5120

Respectfully submitted,

/s/ Orin Snyder
Orin Snyder
Alexander H. Southwell
Matthew J. Benjamin
Amanda M. Aycock
GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue, 47th Floor
New York, NY 10166-0193
(212) 351-4000

Attorneys for Defendants Mark Zuckerberg and Facebook, Inc.